

My dear Mr. Balles:

The President has directed me to bring to your attention the following instructions which he wishes the head of each Department and agency to follow in order to carry out the fiscal policy which he has established. Please see that the President's wishes are fully understood and followed in your agency.

1. Any proposals by departments or agencies for new legislation involving increase of new obligational authority or expenditures not specifically provided for in the budget or which cannot be covered within budget totals will be rejected and held to be "not in accord with the President's program" unless the President otherwise directs.

2. No supplemental estimates for authorizations or appropriations will be recommended unless the funds can be made available by transfer or by adjustments within the budget totals of the respective department or agency, or unless the President otherwise directs.

3. Each department and agency head will reaffirm and pursue with vigor the program already adopted by the Administration progressively to reduce Government expenditures, with the idea of holding 1957 expenditures for the balance of the fiscal year and 1958 expenditures below the amounts estimated in the budget.

4. Each department will report periodically to the Bureau of the Budget (for consolidation and submission to the President) on the results of this program.

If, under unusual circumstances, special Presidential consideration becomes necessary under paragraphs 1 or 2 above, it is provided for in the usual process of handling legislation or supplemental estimates in accordance with Budget Circular Nos. A-19 and A-41 respectively. Additional instructions as to agency participation in reporting to the President under paragraph 4 will be issued subsequently.

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Budget Circular A-10 outlines certain other responsibilities with respect to the budget. It is requested that you take particular steps to assure that all officers and employees of your agency having responsibility in budgetary matters are thoroughly familiar with this Circular and comply therewith.

Sincerely yours,

Director

Honorable Allen W. Dulles
Director, Central Intelligence
Agency
Washington 25, D. C.

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